

Article - Public Utilities

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§7-535.

(a) A rate stabilization bond issued under this part is not a debt, liability, or a pledge of the full faith and credit of the State or any other governmental unit.

(b) The issuance of a rate stabilization bond under this part is not directly, indirectly, or contingently a moral or other obligation of the State or any other governmental unit to levy or pledge any tax or to make an appropriation to pay the rate stabilization bond.

(c) Each rate stabilization bond issued under this part shall state on its face that:

(1) the State and any governmental unit are not obliged to pay the principal of or interest on the bond; and

(2) neither the full faith and credit nor the taxing power of the State or any other governmental unit is pledged to the payment of the principal of or interest on a rate stabilization bond.

(d) (1) The State pledges, for the benefit and protection of financing parties and the electric company, that it will not take or allow any action that would impair the value of rate stabilization property, or, except as allowed in accordance with §§ 7-531, 7-533, and 7-534 of this subtitle, reduce, alter, or impair the qualified rate stabilization charges to be imposed, collected, and remitted to financing parties, until the principal, interest, and premium, and any other charges incurred and contracts to be performed in connection with the related rate stabilization bonds have been paid and performed in full.

(2) Any party issuing rate stabilization bonds is authorized to include this pledge in any documentation relating to those bonds.

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